

Moroğlu Arseven's A. Ülkü Solak Talks Turkish Tax Law in Prague

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AIJA conference panel focused on communicating with respective tax authorities in different countries

Moroğlu Arseven Counsel A. Ülkü Solak participated on a panel in Prague Aug. 29 as part of the International Association of Young Lawyers (AIJA) 52nd annual Congress, which took place in the Czech capital from Aug. 26-30.

Ülkü's panel discussed non-litigious communication with the tax authority as well as how tax rulings vary in different countries. Other panelists were: Alain Goebel from Luxembourg, Claude Aemisegger from Switzerland, Elina Putnina from Latvia and Inga-Kristin Zillmer from Germany.

When asked to describe the approach to tax audits in Turkey, Ülkü noted that the reputation and behavior of the Turkish tax authorities could be described as dominant. But she said that in the case of an inspection it is also possible to go through a settlement procedure with the tax authority. In practice, she said, assessed penalties are generally reduced during the settlement process.

Regarding tax rulings, she said taxpayers can request a ruling free of charge. Rulings for individuals must be made within 45 days. For companies it is three months.

She said: "Tax rulings are not considered to be legal precedents because only the requesting taxpayer can rely on the ruling and despite the existence of a tax ruling, tax administration can still resolve on the contrary and accrue during an inspection whereas the tax payer having a ruling on the contrary in hand will be exempt from penalties and interest over the accrued tax that is obliged to pay as a result of such inspection."

It was also surprising for the audience to hear that in addition to the search engine of the Presidency of Revenue Administration including the tax rulings on a no-name basis and by keeping amounts and other details of the transaction confidential, private parties as corporations and individuals also share these rulings on the Internet, sometimes by even disclosing the details of the incident to create a knowledge base.

AIJA has more than 4,000 members under the age of 45 from 85 countries. The conference brings together more than 600 delegates for comprehensive training. The Tax Law section was one of 18 scientific programs put on during the congress.

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